

HPC DATAPOINTS

Office of Patient Protection Medical Necessity Appeals:
 Trends in Behavioral Health Internal Appeals and External Reviews

INTRODUCTION

The [Office of Patient Protection](#) (OPP), operated by the Massachusetts Health Policy Commission (HPC), safeguards the rights of health insurance consumers. Two of OPP's core responsibilities are: regulating the internal appeal process for consumers who wish to challenge denials of coverage by health plans; and administering the external review process for consumers who seek an independent review of internal appeal decisions issued by health plans. Each year, OPP [publishes an Annual Report](#), which contains findings from OPP's annual review of data submitted by health plans as well as OPP data on external reviews.

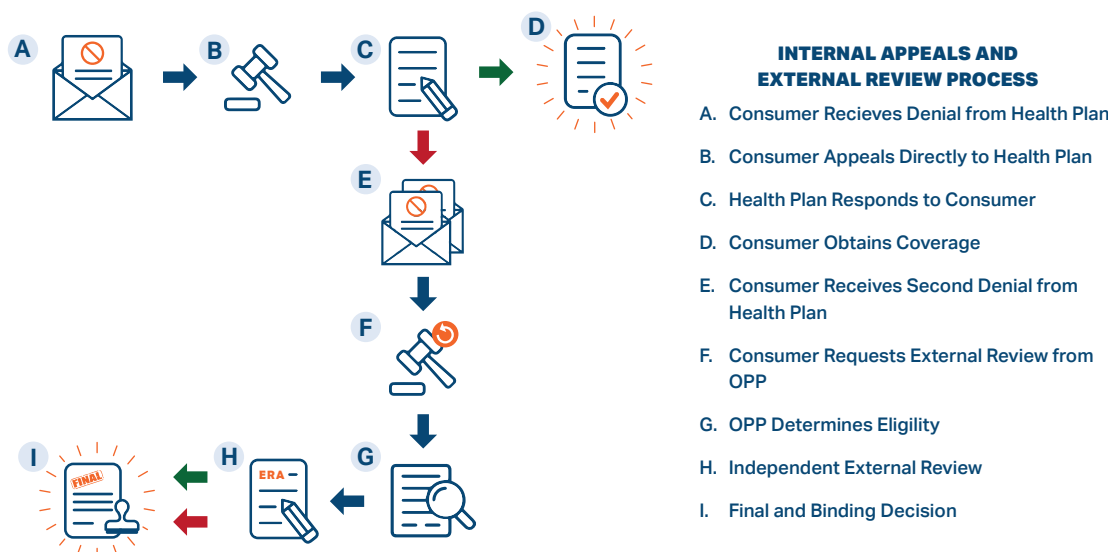
In this ninth DataPoints issue, the HPC presents OPP data from 2014 through 2017 to show trends over time with an emphasis on internal appeals and external reviews related to behavioral health treatment. The data show that a significant number of consumers obtain coverage for medically necessary health care through the internal appeal or external review process, illustrating the importance of these appeal rights for Massachusetts consumers. In addition, the trends related to behavioral health suggest policy changes like mental health parity and other state and federal laws may be favorably affecting consumers' access to behavioral health services, but further examination is necessary.

This is a printable version of DataPoints. The online version features interactive graphics that show additional information, and is available on the HPC's website at www.mass.gov/service-details/hpc-datapoints-series.

Under Massachusetts law, health care consumers have the **right to appeal** certain decisions by their **health plans both internally** with their health plans and then with an **independent reviewer** through OPP.

OVERVIEW OF CONSUMER HEALTH INSURANCE APPEALS

Under Massachusetts law, health care consumers have the right to appeal certain decisions by their health plans both internally with their health plans and then with an independent reviewer through OPP.¹ The graphic below provides an overview of the process that consumers navigate from filing an internal appeal with their health plan to requesting an external review from OPP.

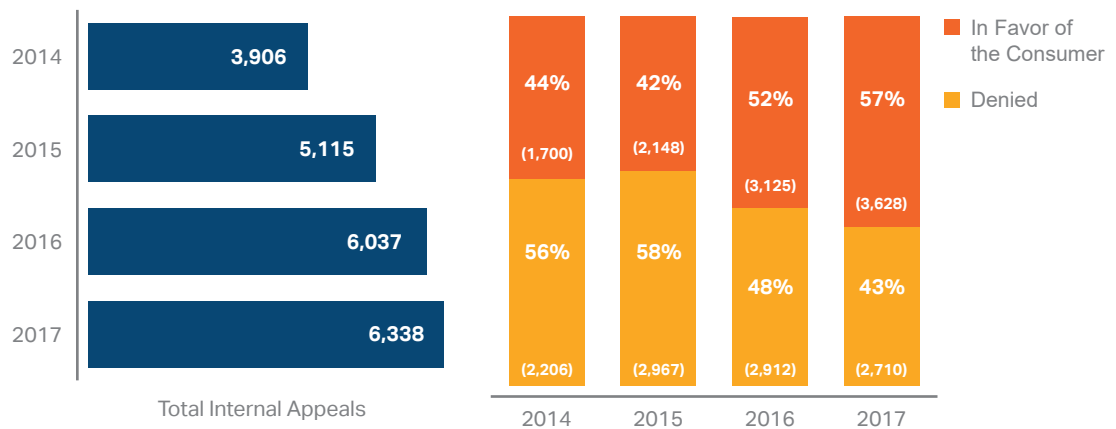


The number of consumers filing an internal appeal to challenge a denial of coverage based on medical necessity has increased substantially since 2014. At the same time, the percentage of consumers who have received a favorable outcome from the internal appeal process has increased from 44% in 2014 to 57% in 2017. In 2016 and 2017, a majority of consumers who filed an internal appeal after receiving a denial based on medical necessity obtained coverage of the requested treatment.

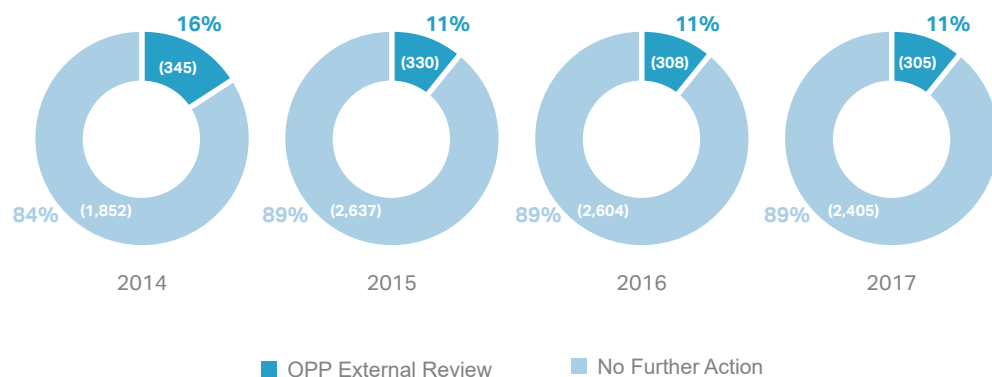
Of those consumers that received a denial of their request for coverage following an internal appeal in 2017, 11% sought an independent external review through OPP of the health plan's decision. The percentage of consumers who take advantage of the external review process has declined slightly since 2014 when 16% of eligible consumers filed a request for external review with OPP.

The percentage of consumers who have received a **favorable outcome** from the internal appeal process has increased from **44%** in 2014 to **57%** in 2017.

Consumers Pursuing Internal Appeals and External Reviews, 2014-2017

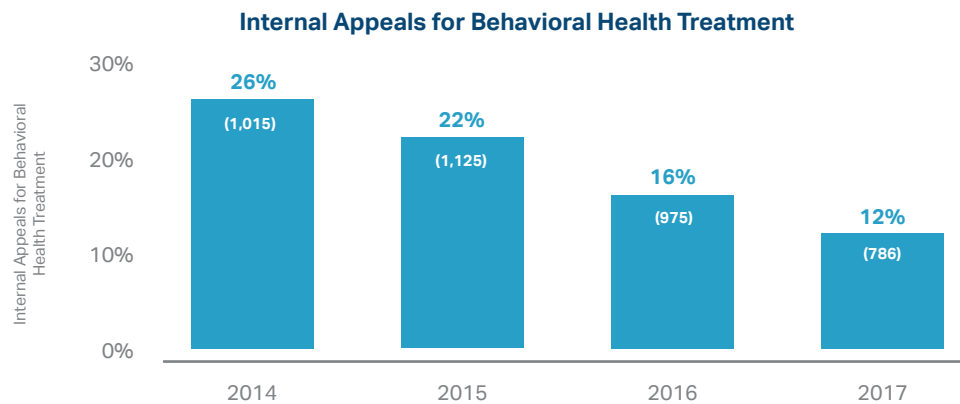
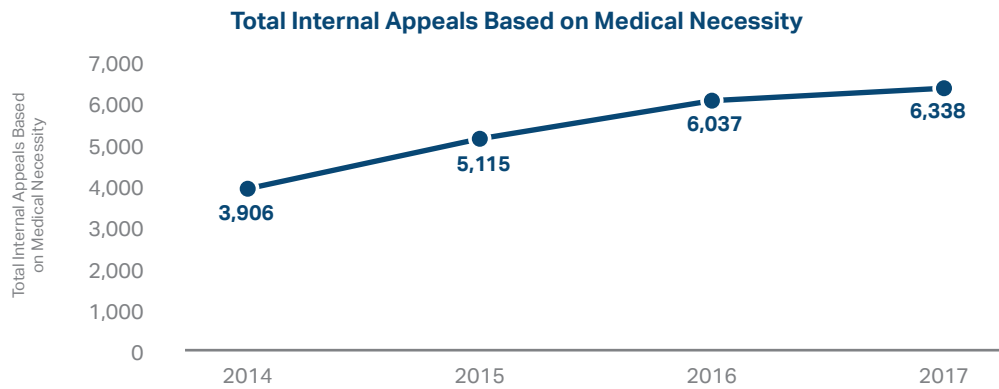


Percentage of Consumers Who Pursue External Review After Internal Appeal Denial



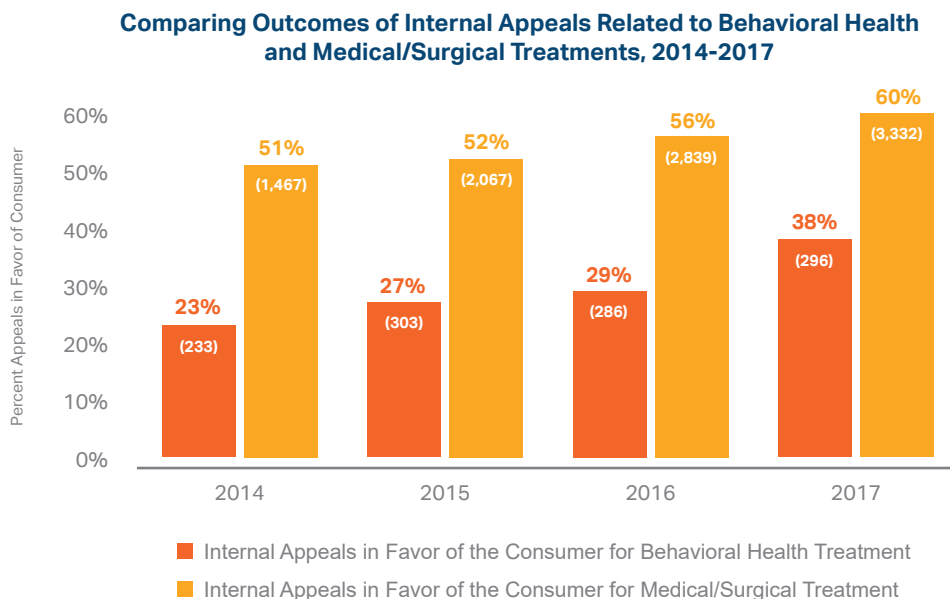
TRENDS IN INTERNAL APPEALS RELATED TO BEHAVIORAL HEALTH TREATMENT

The next two graphics on the following page take a closer look at internal appeals where consumers sought coverage of behavioral health treatment. Despite the increase in the total number of internal appeals filed between 2014 and 2017, there was a decrease in both the total number of internal appeals related to coverage of behavioral health treatment and the percentage of appeals related to behavioral health treatment compared to medical/surgical treatment. This could indicate that health plans are issuing fewer initial denials of coverage or denials of prior authorization related to behavioral health treatment due to coverage expansions for substance use disorder treatment and other behavioral health conditions.²



Overall, favorable outcomes for consumers pursuing internal appeals increased across both behavioral health and medical/surgical treatment categories from 2014-2017, but consumers who filed internal appeals related to behavioral health treatment were consistently less likely to receive a favorable decision. When comparing outcomes of internal appeals related to behavioral health treatment and those related to medical/surgical treatment, consumers tend to receive a favorable decision (i.e., consumers win their appeals) at a significantly higher percentage when the appeal relates to medical/surgical treatment. This finding warrants further examination.

Consumers who filed internal appeals related to **behavioral health** treatment were consistently **less likely** to receive a **favorable decision**.



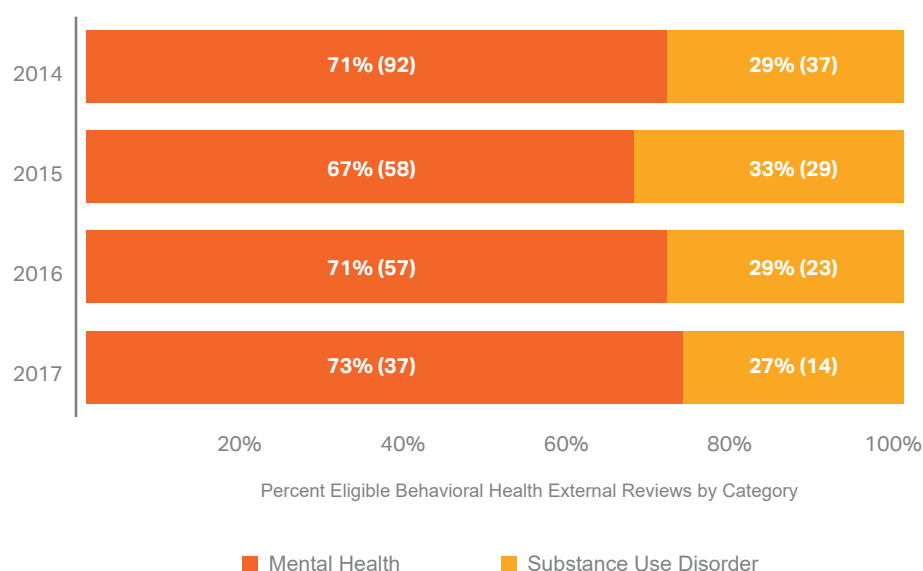
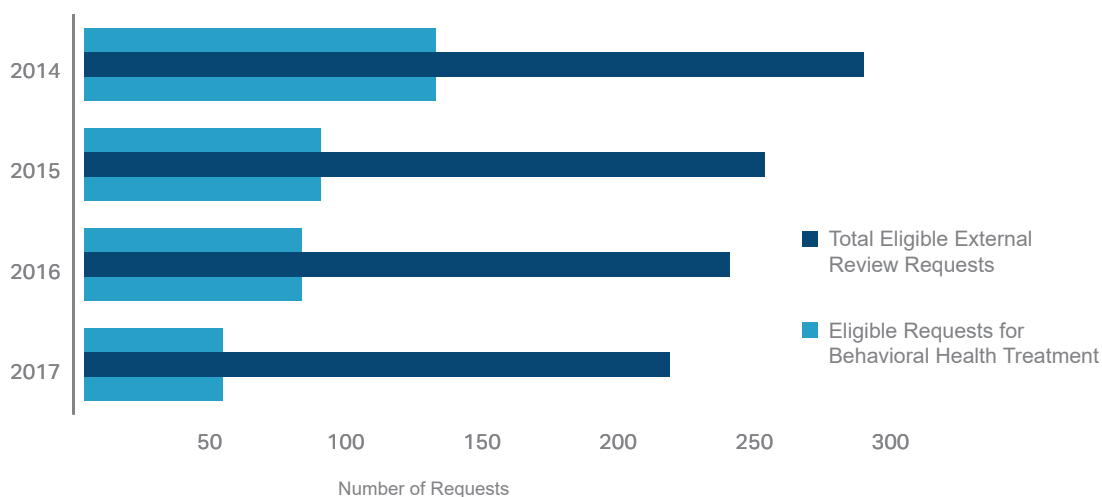
There has been a **decrease** in both the **total number** of eligible external reviews related to **behavioral health treatment** and the **percentage** of eligible external reviews related to **behavioral health treatment** compared to medical/surgical treatment **since 2014**.

Requests for treatment related to **substance use disorders** consistently make up **about 30%** of all behavioral health external reviews **each year**.

TRENDS IN EXTERNAL REVIEWS RELATED TO BEHAVIORAL HEALTH TREATMENT

The external review data mirrors the internal appeal data in that it shows fewer eligible requests each year for reviews related to behavioral health treatment. The graphic below shows a decrease in both the total number of eligible external reviews related to behavioral health treatment and the percentage of eligible external reviews related to behavioral health treatment compared to medical/surgical treatment since 2014. From 2004 to 2014, the number of requests related to behavioral health treatment was relatively stable, with a marked decline beginning in 2015.³ Since there have been fewer internal appeals related to behavioral health treatment in recent years, as shown above, it follows that there are correspondingly fewer external reviews related to behavioral health treatment. OPP further categorizes reviews related to behavioral health treatment into mental health or substance use disorder. The proportion of eligible requests received for each category has remained relatively stable since 2014. Requests for treatment related to substance use disorders consistently make up about 30% of all behavioral health external reviews each year.

Declining Percentage of External Reviews Related to Behavioral Health Treatment, 2014-2017



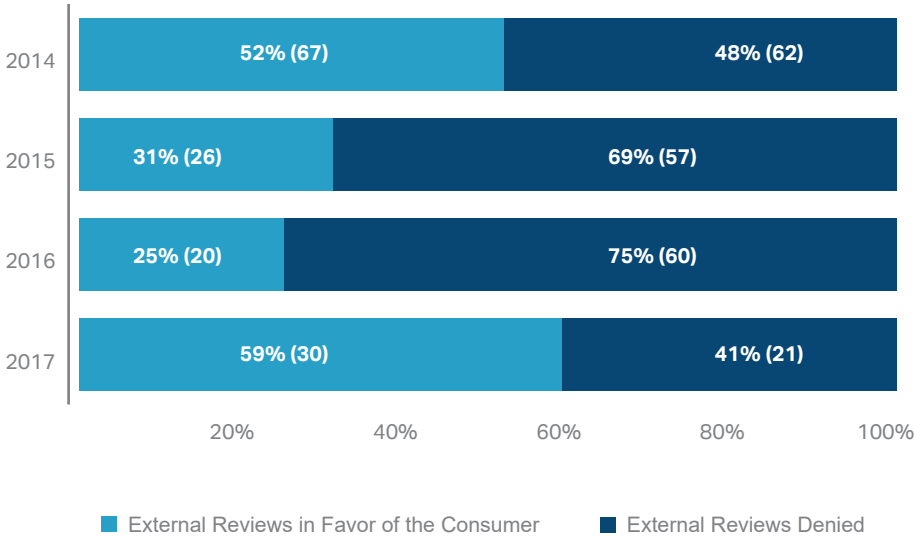
In 2017, **59%** of external reviews related to behavioral health treatment were resolved **in favor of the consumer**.

OPP reported a declining percentage of external reviews related to behavioral health treatment resolved in favor of the consumer from 2014-2016. However, in 2017 59% of external reviews related to behavioral health treatment were resolved in favor of the consumer. This is the highest percentage in the past four years, and it is higher than the 47% of external reviews related to medical/surgical treatment that were resolved in favor of the consumer in 2017. Unlike internal appeals, OPP found no consistent trend showing that consumers requesting external reviews relating to behavioral health treatment are less likely to receive a favorable decision than those requesting reviews relating to medical/surgical treatment.⁴

Number of Eligible External Review Requests for Behavioral Health Treatment

2014	2015	2016	2017
129	83	80	51

Outcomes of External Reviews Related to Behavioral Health Treatment, 2014-2017



The Massachusetts Health Policy Commission (HPC) is an independent state agency that develops policy to reduce health care cost growth and improve the quality of patient care. The HPC's mission is to advance a more transparent, accountable, and equitable health care system through its independent policy leadership and innovative investment programs.

HPC DataPoints is a series of online briefs that spotlight new research and data findings relevant to the HPC's mission to drive down the cost of health care. It showcases brief overviews and interactive graphics on relevant health policy topics. The analysis underlying these briefs is conducted by HPC staff. To view all HPC DataPoints, visit our [website](#).

Endnotes

- 1 M.G.L. c. 176O §§ 13-14. These laws apply to individuals with “fully-insured” Massachusetts health plans. Consumers with other types of health plans, including self-insured plans, MassHealth (Medicaid), or Medicare, have different appeal rights under other state or federal laws.
- 2 E.g., Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; Chapter 258 of the Acts of 2014 (mandating coverage of certain substance use disorder treatments and limiting prior authorization requests for others).
- 3 2013 Office of Patient Protection Annual Report. Figure 7 in the 2013 OPP Annual Report lists all requests for external review rather than eligible external review requests.
- 4 In 2014, 41% of external reviews related to medical/surgical treatment were found in favor of the consumer. In 2015, 45% of external reviews related to medical/surgical treatment were found in favor of the consumer. In 2016, 54% of external reviews related to medical/surgical treatment were found in favor of the consumer. In 2017, 47% of external reviews related to medical surgical/treatment were found in favor of the consumer.

Sources:

2014-2017 insurance carrier reports to the Office of Patient Protection, pursuant to 958 CMR 3.600; 2014-2017 Office of Patient Protection external review data.